

Briefing note



London TravelWatch Internal Review

27 May 2011

1. London TravelWatch

London TravelWatch is the independent, multi-modal passenger watchdog, with a range of statutory functions. It delivers its statutory responsibilities through its casework and research teams and the close integration of these teams adds value to its work. Caseworkers have easy access to expert knowledge to help resolve complex passenger appeals and the work of the research team can be focussed on resolving and identifying policy related issues arising from casework, as well as those arising from a wide range of other sources.

2. Background to internal review

In August 2010, London TravelWatch commenced a major review of its remit, costs and processes. The objective set by the Board was to reduce operating costs by a notional 25% over a full year, with a view to ensuring organisational resilience to withstand possible budget reductions at that level in future years.

The review examined the organisation's core functions to enable the development of fresh proposals about how these could be delivered in the most efficient and effective manner. The aim was to cut fixed costs by streamlining and refining core activities and outsourcing non-essential functions, while ensuring that the two key services of casework and research were protected, and that the changes were sustainable.

3. Review findings

The review gave careful consideration to how staff time was deployed, how work flowed through the organisation and what the critical success factors were. It noted that the ancillary functions of communications, governance, corporate management and general administration were needed to support London TravelWatch's core work and to run a viable organisation.

Comparison with other similar bodies confirmed that London TravelWatch's way of working on casework and research compared favourably and represents good value for money. A range of evidence confirmed that London TravelWatch is an effective and well-run organisation.

The review:

- i. Identified how small efficiency savings could be achieved by streamlining and better focussing work in the core teams of casework and research

- ii. Identified how savings could be achieved through reducing time spent on administration and establishing a small corporate administration team to provide essential support across the organisation
- iii. Noted the staff time needed to support the work of the Board and its subsidiary bodies
- iv. Identified the costs associated with maintaining an in-house finance and HR team and suggested how savings might be made through out-sourcing this work
- v. Considered how accommodation costs could be reduced by 50% or more from August 2012 in a variety of ways

Having considered the recommendations made in the review, in December 2010 the Board of London TravelWatch agreed on the structure it wishes to move towards (see diagram 2c) and that a formal consultation should begin with staff based on this.

The Board also reviewed its own structure and substantially reduced the number of meetings it holds. It halved the number of its committees from four to two, and agreed that these should meet four times each year rather than six as had previously been the case.

4. Timescales

The review was started in August 2010 and the intention was that the restructuring arising from it would be implemented in April 2011. Unfortunately a series of events outside London TravelWatch's control have led to substantial slippage in this timescale:

- i. The publication in September of the London Assembly's review of London TravelWatch distracted the attention of the Board and senior staff
- ii. Negotiations with Passenger Focus about outsourcing finance and HR functions and possible future co-location were halted for six months whilst they reconsidered their own future
- iii. Changes to the law relating to Civil Service pensions and administrative changes related to this meant that, despite repeated attempts by London TravelWatch to speed the process, it was late March before staff received details of the compensation they would receive should they decide to apply for voluntary redundancy. The closing date for applications was 11th April 2011.

5. Present position

- i. As things stand at the moment, four staff have had their requests for voluntary redundancy accepted and will be leaving at the end of July.
- ii. A job matching exercise is underway to fill vacant posts in the proposed structure, following which provisional job descriptions and reporting lines will be finalised.

- iii. Discussions about outsourcing finance and HR work continue.
- iv. It is anticipated that more redundancies will take place, subject to further analysis of business considerations relating to these.
- v. Discussions continue with Passenger Focus about the opportunities that could arise from further collaboration in the future.
- vi. Attention is being paid to adjusting business plan priorities in the light of staffing changes as well as considerations arising from the London Assembly's own review of London TravelWatch.

6. Staffing implications

- i. The staffing establishment was 23 (fte) at 30.9.10
- ii. As a result of a recruitment freeze 4.3 (fte) posts are vacant
- iii. 3.7 (fte) staff will leave on 31.7.11 under the voluntary redundancy scheme
- iv. The proposed staffing structure is 14.7 (fte)

In accordance with the terms of its Employment Protection and Redundancy Policy, London TravelWatch has aimed to minimise the number of redundancies but the final position on this will not be known until alternative arrangements are made in respect of finance and HR work, and the proposed restructure is fully implemented.

7. Financial implications

London TravelWatch's budget for 2011-12 is £1,443,000 which is 10% less than the budget for 2010-11 (£1,603,000).

As a result of efficiency savings made so far, and assuming that finance and HR services are outsourced from 1st September 2011, London TravelWatch has already reduced its annual operating costs by 20%.

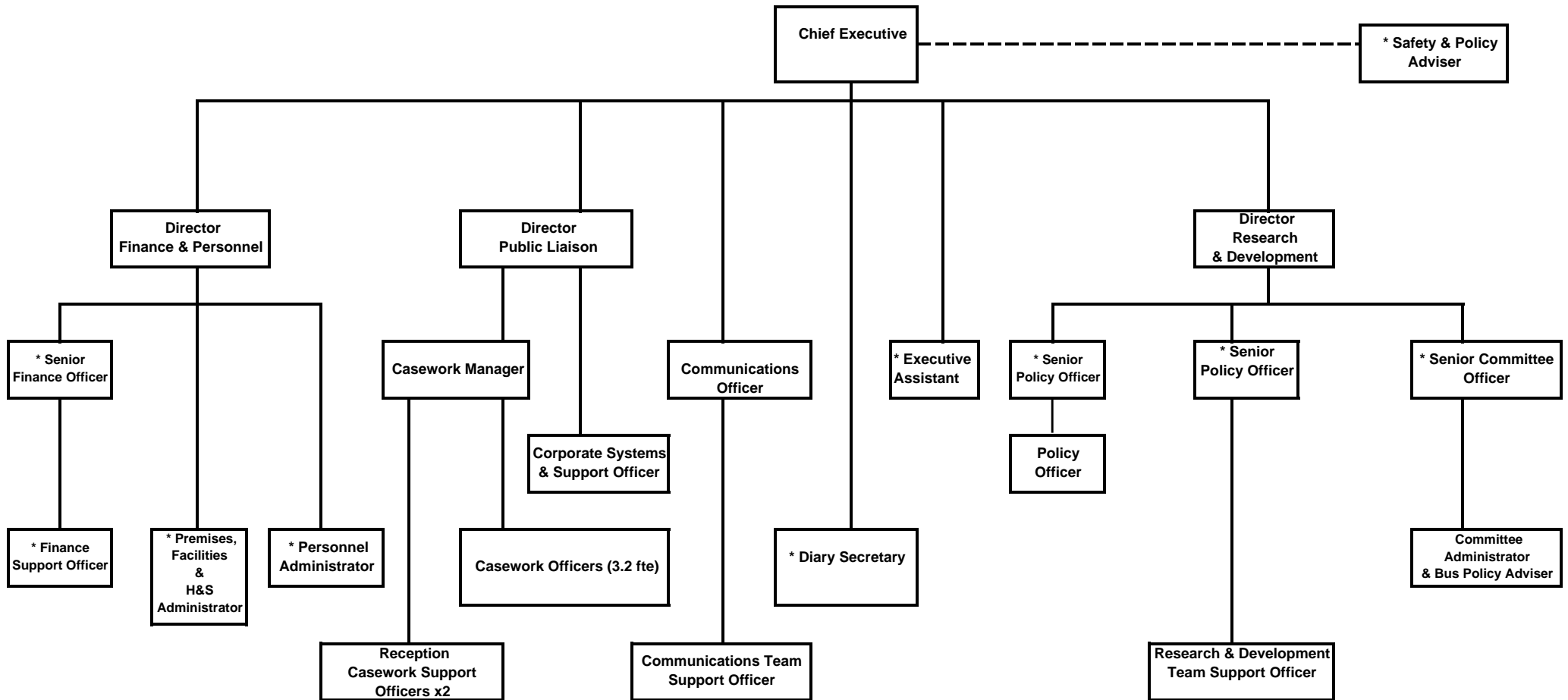
To date London TravelWatch has been able to meet the severance costs associated with its redundancies from its cash reserves and the surplus it has accrued as a result of the recruitment freeze which was applied last year. However for cash flow reasons it cannot fund any further redundancies without an advance payment of its grant in aid. London TravelWatch will be writing separately to the GLA on this point.

Attachments:

- Staff structure as at 30.9.10
- Proposed staff structure
- Core processes diagram
- Critical success factors

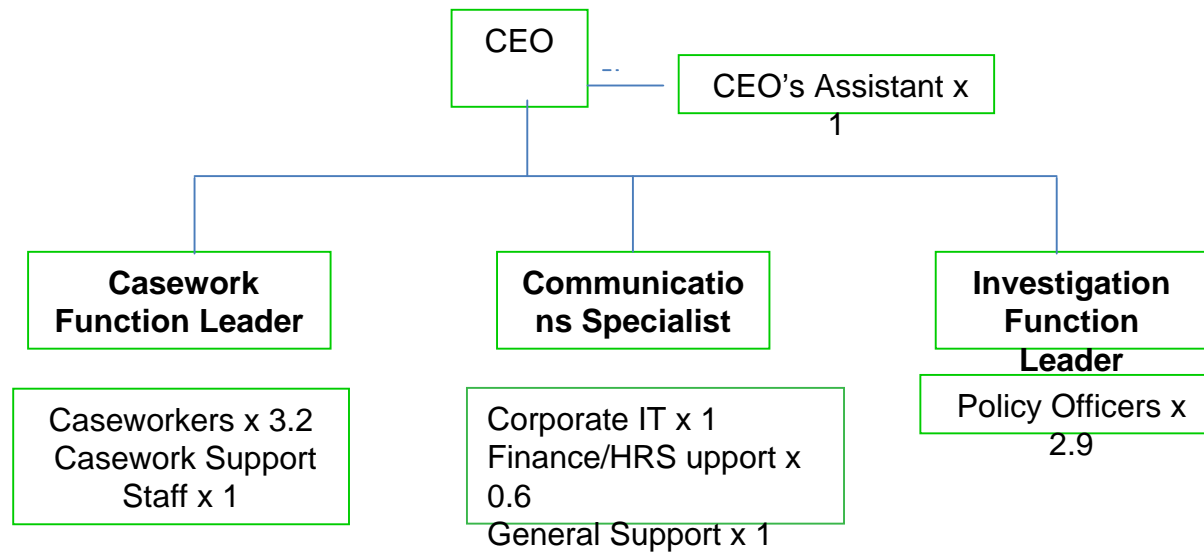
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London TravelWatch Staff Structure (1.9.10)



Proposed future structure of LTW – option 2c

2.2.11



Functions of CEO's Office

- Governance / Board
- Stakeholder relations
- Human resource management
- Financial overview
- Organisation development

Functions of

Communications Team

- Communications, branding
- IT
- Corporate support services
- FOI/Data protection
- Risk/Business continuity
- Knowledge management

Tasks & Competencies of Leaders

- Manage resources and make decisions about appropriateness of work
- Develop staff capability
- Provide practical and emotional support
- Ensure information is shared
- Ensure that core LTW process is kept functioning properly

Assumptions and Other Notes

- Caseworkers and Policy Officers are fully competent and self-standing, and need only light touch management
- Liaison between casework and investigation functions continues regularly in an effective exchange of information and perspective
- Finance and HR functions can successfully be outsourced to either PF or GLA
- Support staff will be flexible, and perform other tasks
- Corp. IT and Finance roles are co-ordinators and informed buyers rather than direct service providers

Core processes



Transport User Experience

- Feedback from users
- Current events

Casework
the heart of LTW work

Outcomes

- Complainants satisfied
- Services more aligned with public needs
- Better travel experiences

Framing issues
In discussion with investigation team specialists

Investigation & analysis
By investigation specialists who understand the casework and the issues of policy and process

Findings from investigation
Reviewed internally

Consultations
Responses required

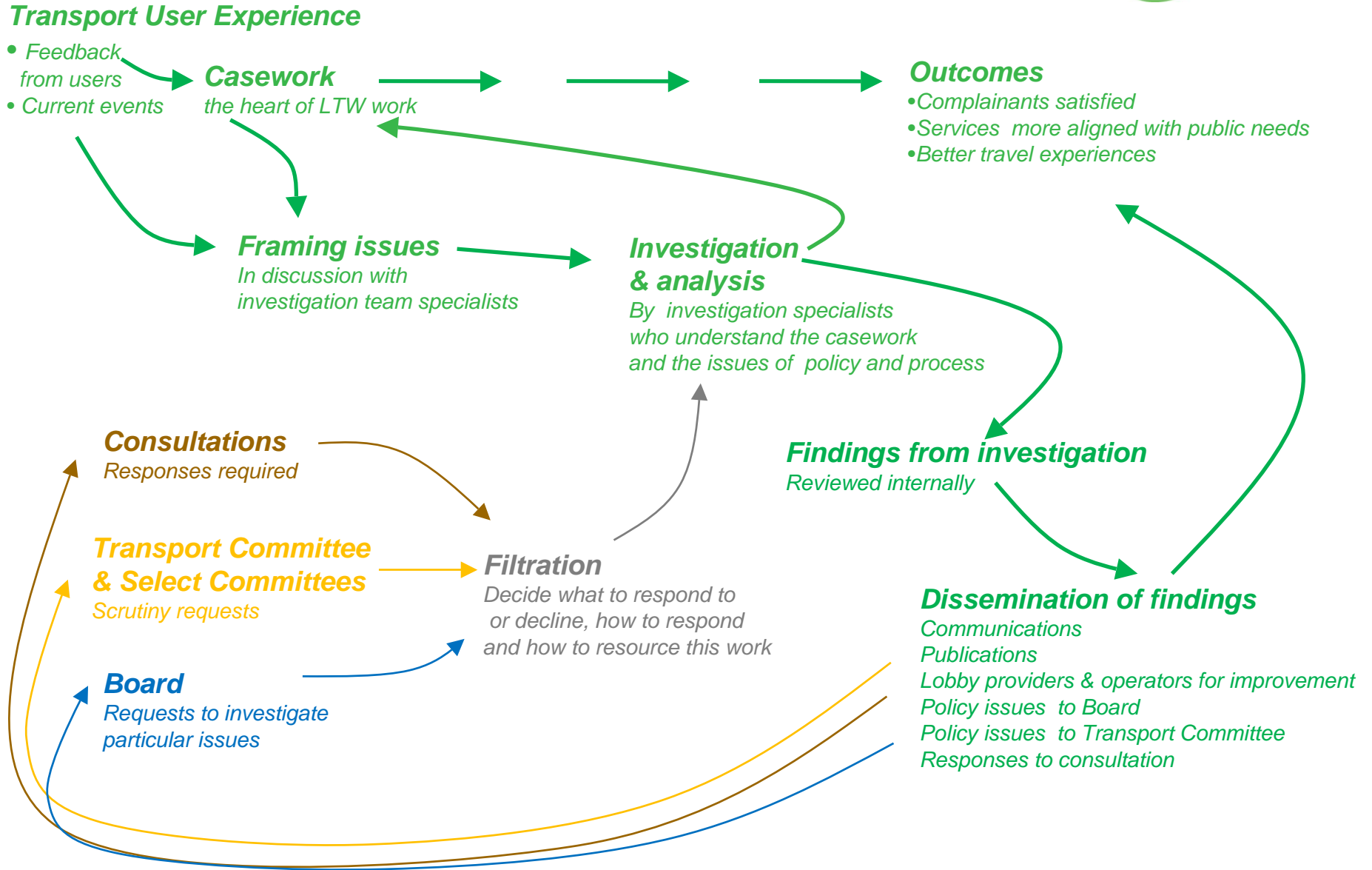
Transport Committee & Select Committees
Scrutiny requests

Filtration
Decide what to respond to or decline, how to respond and how to resource this work

Board
Requests to investigate particular issues

Dissemination of findings

- Communications
- Publications
- Lobby providers & operators for improvement
- Policy issues to Board
- Policy issues to Transport Committee
- Responses to consultation



London TravelWatch critical success factors

- Thorough knowledge of legislation, passenger rights, complaints processes
- Ability to understand the practical transport issues experienced by users across all modes of transport
- Firm grasp of transport policy and how it is interpreted by transport providers and by London politicians
- Ability to appreciate the long-term implications for transport users of service and policy changes
- Responsiveness and the drive to resolve difficult and complex issues
- Capacity to act as a fair and impartial point of secondary referral
- Competence to pull together authoritative research into important transport themes in London
- Influence capability, to be able to change the approach of transport operators and providers
- Ability to command respect within the industry for its expertise
- Co-location of casework and investigation
- Political independence

6.12.10